

## **Minutes of the Finance Committee**

**Wednesday, July 16, 2014**

Chair Heinrich called the meeting to order at 8:30 a.m.

**Present:** Supervisors Jim Heinrich, Larry Nelson, Duane Paulson, Richard Morris, Steve Whittow, Bill Zaborowski, and Eric Highum.

**Also Present:** Chief of Staff Mark Mader, Legislative Policy Advisor Sarah Spaeth, Budget Specialist Bill Duckwitz, Public Works Director Allison Bussler, Airport Manager Kurt Stanich, Highway Operations Manager Pete Chladil, Engineering Services Manager Gary Evans, Parks & Land Use Director Dale Shaver, Land Resources Manager Perry Lindquist, Jail Administrator Mike Giese, Business Manager Lyndsay Johnson, Financial Analyst Joshua Joost, Deputy Inspector Jim Gumm, Sheriff Dan Trawicki, Parks System Manager Duane Grimm, and Internal Audit Manager Lori Schubert. Recorded by Mary Pedersen, County Board Office.

### **Approve Minutes of July 2**

MOTION: Paulson moved, second by Zaborowski to approve the minutes of July 2. Motion carried 7-0.

### **Schedule Next Meeting Date**

- August 6

### **Chair's Executive Committee Report**

Heinrich highlighted the following items discussed at the last Executive Committee meeting.

- Heard a report on the Clerk of Courts audit which overall was favorable. Clerk of Courts Kathy Madden concurred with each of the 15 recommendations for improvement.
- Approved Ordinances 169-O-034 and 169-O-036, also on this agenda.
- Approved seven appointments.
- Reviewed guidelines for public comments at committee and County Board meetings.
- Heard standing committee reports.

### **Announcements**

Whittow said he will not be able to attend the August 20 Finance Committee meeting.

### **State Legislative Update**

Spaeth reviewed information on recently formed study committees for the next legislative session. These include adoption disruption and dissolution, criminal penalties, personal property tax, review of Tax Incremental Financing districts; and problem solving courts, alternatives and diversions.

### **Ordinance 169-O-039: Modify The 2014 Transportation Fund Budget For Performance Based Maintenance**

Chladil and Bussler discussed this ordinance which authorizes the department to enter into performance-based contracts with the State Department of Transportation (DOT) for the County to provide specific maintenance services on State Highways through a pilot program. This is a change of the current practice of the State reimbursing the County for maintenance costs (labor, equipment,

materials) through rates based on statewide averages although the current contract with the State will not be affected. By contrast, this pilot program reimburses costs based on pre-negotiated rates for specific projects and could be the method of all such contracts with the State in the future. This means that it will be possible for the County to benefit from cost efficiencies in providing road maintenance. Under this pilot, DPW and DOT have negotiated three highway maintenance contracts for the County to provide bridge deck repair, highway shoulder maintenance and crack sealing.

These contracts cover the pilot program for the remainder of 2014. If the County chooses to continue with this pilot program, these expenditures and revenues will be incorporated into the department's 2015 budget request.

Staff estimate that the County will incur and be reimbursed for \$600,200 of maintenance costs. Labor and equipment costs, estimated at \$484,000, will be covered by reducing expenditures in the County Highway Maintenance program and reallocating to the State Highway Maintenance program. Additional costs for material and administrative cost recovery, estimated at \$116,200, will require additional appropriations, to be offset with additional general government revenue from the pilot contracts.

Paulson noted this ordinance results in no tax levy impact but it is not reflected in the fiscal note. Duckwitz said this is because the department could generate more revenues than expenditures which would have a levy impact, a favorable one. Chladil said it is also possible the department could lose money.

To answer Heinrich's question, Chladil said this is a pilot program so they are not adding personnel this year. Existing staff will be shifted from the County side of their budget to the State side which will result in a temporary cut in County services. The DOT has committed to this program for at least a couple years and positions have been added in the 2015 budget for the County side of the budget.

Zaborowski asked why the State is proposing this. Bussler believes State officials feel this will be more cost effective and provide for more accountability. The State will collect data and compare costs whereby the State in the future could then determine that some counties' quotes are inaccurate. Bussler said this could also give the County a competitive edge due to the equipment we have that other counties may not have.

MOTION: Paulson moved, second by Morris to approve Ordinance 169-O-039. Motion carried 7-0.

**Ordinance 169-O-036: Modify 2014 Capital Budget For Airport Capital Project 200704 To Modify The Project Scope And Increase The Capital Project Budget**

Bussler and Stanich were present to discuss this ordinance which modifies the scope of capital project # 200704 from a runway rehabilitation project to a reconstruction project and includes new lighting and improved airfield storm water management. This results in increased project costs of \$9,812,000 to \$10,750,000 and increases the County's 5% share to \$537,500. The remaining 95% is funded by the Federal Aviation Administration and Wisconsin Bureau of Aeronautics which manages the project and bills the County for the 5% cost share. The ordinance increases the project expenditure budget \$490,500 for the increased cost share and appropriates \$490,500 of Airport Fund Balance for this purpose.

Bussler estimates that the runway will need to be closed for three months during reconstruction which is expected to negatively affect runway related revenue during this time. However, the new runway is expected to improve revenues for the long-term since it will be able to support heavier aircraft resulting in more customers. Bussler said it is estimated that reconstruction will increase the useful life of the runway to 25 years versus 5 years with runway rehabilitation. Stanich explained the larger types of aircrafts that will now be able to land and the potential for increased fuel sales.

Paulson thought the length of the runway is what prohibited larger planes from landing. Stanich said the additional concrete will allow heavier planes to take off and land. Paulson asked how the runway will be extended. Stanich said it will not be.

MOTION: Morris moved, second by Zaborowski to approve Ordinance 169-O-036. Motion carried 7-0.

#### **Review Process Changes for Federal Road Project Funding**

Bussler and Evans were present to discuss this item. Bussler said for many years the process for federal road aid flowed through local Metropolitan Planning Organizations. For Waukesha County, this was the Southeastern Wisconsin Regional Planning Commission (SEWRPC) who voted on how these dollars were spent on a need-based formula. The County could predict how much federal funds we got each year so the department could overspend a little one year and receive little less the next. Bussler said it worked similar to a checkbook and it was wonderful for planning purposes. However, the federal government established a new formula which does not favor Waukesha County as much as the previous one. To strategize, staff will propose more projects with smaller dollar amounts and this should give us more options. Bussler explained the new process in detail and noted this will change the way capital projects plans are decided on and proposed to the County Board in the future.

#### **Contract Procurement Process for the Engineering Services Pavement Management Plan, Capital Project 200824**

Evans indicated this five-year contract was awarded to Vibetech Consultants, the highest rated proposer, for a total contract cost of \$409,500. The first year budgeted amount is \$100,000. Three contractors submitted RFPs for consideration.

MOTION: Whittow moved, second by Nelson to approve the contract procurement process for engineering services pavement management plan, Capital Project 200824. Motion carried 7-0.

#### **Ordinance 169-O-034: Approval Of Intergovernmental Agreement Between Waukesha County And Municipalities For Recycling Containers And Material Hauling**

Shaver and Lindquist were present to discuss this ordinance. Shaver distributed information, gave a PowerPoint presentation, and reviewed the history on this issue. Earlier this year, the Waukesha County Board approved an agreement with the City of Milwaukee to design, build and operate a joint City/County Material Recycling Facility (MRF) capable of processing single sort recyclables. This will eliminate the need for households to separate materials and has been demonstrated to result in a higher proportion of household waste being recycled. In Waukesha County, the various communities are responsible for collecting recyclable material and hauling it to a processing facility. This ordinance authorizes the Waukesha County Executive or designee to enter into agreements with the twenty-five participating communities in the County Coordinated Recycling

Program to support the cost of collecting recyclable materials after the change to a single stream system in 2015. This support would occur in two areas: Acquisition of new recycling containers and transportation of recyclables to the joint City/County MRF located in the City of Milwaukee.

Conversion from the current dual stream to a single stream collection system will require an investment in new recycling containers. Depending on the collection method used by a given community this would be either a 96 or 32 gallon container. The agreement calls for the County to provide support of \$5.28 per household per year for 96 gallon containers or \$2.64 per household per year for 32 gallon containers for a ten-year period. The payment would be included in the annual recycling dividend payment. The 2015 budget will include \$490,000 for this purpose.

Participating communities currently haul recyclable materials to the County facility at 220 South Prairie Avenue in Waukesha. Under this agreement the County would provide a payment to communities to subsidize the additional cost of transporting the material to Milwaukee. This support will vary by each participant's geographical location and will be adjusted annually for inflation over a ten-year period. The 2015 budget will include \$310,000 for this purpose which would also be a component of the annual dividend. The alternative would be for the County to convert its current facility to a transfer station which the Department estimates would cost about \$607,000 per year to operate with a loss of about \$300,000 per year.

Both these items, totaling \$800,000 in 2015 would be in addition to the annual dividends based on the sale of recycled materials to be funded by past and future additions to the MRF fund balance. The ongoing cost of this support will be subject to approval by the County Board as part of the annual budget process.

Whittow asked what is the current market for these materials as he was under the impression it was not that robust but improving. Shaver disagreed and said it was robust but it depends on the product. Lindquist said the cost of aluminum is down but cardboard and plastics have a very high value right now. He noted that the budget is based on a combination of materials and then annualized so each month could fluctuate up and down. Shaver said their estimated tonnage price is a good conservative number.

Morris spoke in support of the ordinance and said it will result in significant savings for the participating communities. He added that a consultant is helping the Town of Merton negotiate with the haulers for pricing.

MOTION: Paulson moved, second by Morris to approve Ordinance 169-O-034. Motion carried 7-0.

#### **Ordinance 169-O-037: Expenditure Of Seized Funds - Amend The 2014 Sheriff's Department Budget For Multiple Purchases - July 2014**

Johnson, Gumm, and Joost were present to discuss this ordinance. Enrolled ordinance 141-41 (1986) authorized the Sheriff's Department to participate in a federal program, which transfers forfeited assets (seized funds) to those state and local agencies that contributed directly to the seizure of that property. Federal guidelines require that these seized funds must be used to enhance law enforcement activities, not to supplant existing adopted budget appropriations.

The department currently has a balance of undesignated seized funds available totaling \$147,300. Gumm said the department is requesting to use up to a maximum of \$96,400 to purchase the

following items: automatic license plate reader (\$70,000); taser (\$1,000); traffic vests (\$2,300); and non-concealed ballistic vests for the Detective Bureau (\$3,800). In addition, a fund transfer of \$19,300 will be made to Menomonee Falls for law enforcement enhancement purchases.

Staff estimate the on-going operating and maintenance costs for these items will be minimal and the responsibility of the department. These additional costs will need to be absorbed within current and future base budgets. None of these purchases are planned for inclusion in a replacement plan. Future equipment replacements, if necessary, are expected to be purchased with non-tax levy funding. This ordinance results in no additional direct tax levy impact in 2014.

To answer Heinrich's question, Johnson said the department will issue Menomonee Falls a check for \$19,300 and it will be their responsibility to report to the federal government how those funds were utilized.

MOTION: Paulson moved, second by Whittow to approve Ordinance 169-O-037. Motion carried 7-0.

**Ordinance 169-O-038: Amend The Sheriff's Department 2014 Budget For The Expenditure Of Office Of National Drug Control Policy Cooperative Agreement Funds For Nasal Naloxone**

Trawicki, Gumm and Johnson were present to discuss this ordinance which authorizes the department to accept High Intensity Drug Trafficking Area cooperative funding in the amount of \$5,000 from the Office of National Drug Control Policy. Gumm said this will be used to fund a two-year nasal Naloxone (Narcan) pilot program under which trained deputies will be equipped with drug kits to treat overdoses of heroin or other opiates. Fifty kits would be purchased at a cost of \$100 each. The department plans to conduct training by volunteer medical professionals during normal shifts to mitigate additional costs. Wisconsin Act 200 provides immunity from civil or criminal liability for properly trained law enforcement officers administering this drug to persons they believe to be undergoing an overdose. Upon completion of the pilot period, staff will determine whether to continue the program at which time they will pursue continued funding or absorb the cost in future operating budgets.

Whittow asked how the deputies feel about taking on that role. Gumm said their primary mission is to save lives and they are committed to a robust training program. They have been partnering with the Addiction Resource Council and will partner with Public Health or a local hospital to get that training.

MOTION: Paulson moved, second by Whittow to approve Ordinance 169-O-038. Motion carried 7-0.

**Ordinance 169-O-033: Approve Friends Of Retzer Nature Center 2014/2015 Retzer Nature Center Event Presenting Sponsorship Agreement**

Grimm was present to discuss this ordinance. He gave a PowerPoint presentation and distributed a brochure on the Friends of Retzer Nature Center. This ordinance authorizes the department to enter into an event sponsorship agreement with the Friends of Retzer Nature Center from August 1, 2014 to July 31, 2015. Under the terms of the agreement, the Friends of Retzer Nature Center will make a total payment of \$11,000 to the County for sponsorship rights to specified seasonal events at Retzer Nature Center. Of that, \$7,000 will be due in 2014 and the remaining \$4,000 due in 2015 to be included in the department's proposed 2015 budget. The department will manage any costs

related to the terms of the agreement as well as any revenue reductions resulting from Friends of Retzer Nature Center free admissions to seasonal events. Grimm highlighted upcoming events. This ordinance results in no direct tax levy impact.

MOTION: Paulson moved, second by Morris to approve Ordinance 169-O-033. Motion carried 7-0.

**Contract Procurement Process for Professional Services for Audit of Mental Health Clinic Third Party Billing System**

Schubert indicated this contract was awarded to Wipfli LLC, the highest rated proposer, for a total contract cost of \$55,000. The first year budgeted amount is \$60,000. Four contractors submitted RFPs for consideration.

MOTION: Paulson moved, second by Highum to approve the contract procurement process for professional services for audit of Mental Health Clinic third party billing system. Motion carried 7-0.

MOTION: Paulson moved, second by Highum to adjourn at 10:43 p.m. Motion carried 7-0.

Respectfully submitted,

William J. Zaborowski  
Secretary